

Alberta Government Telephones
and
Edmonton telephones

REPORT OF THE
JOINT STUDY COMMITTEE

Hon. J.V.H. Milvain, L.L.D., Q.C., Calgary
Col. D.F. Burrows, Edmonton
Hu Harries, Ph.D., Edmonton
Harry Hyde, M.D., Edmonton
Dan Shea Esq., Mayor of Three Hills

[Handwritten signatures and initials over dotted lines]

June 2, 1983

A short history of the telephone situation in Alberta is of interest.

In 1885 Alex Taylor introduced telephone service to the Edmonton area, naming his company the Edmonton District Telephone Company. In 1887 the Bell Telephone Company began business in Calgary with some 40 subscribers, and soon expanded to other centers.

In 1904, the City of Edmonton purchased the Edmonton District Telephone Company, which served Edmonton, Strathcona, St. Albert, Beaumont, Stony Plain, and the rural line to Ft. Saskatchewan. The new owners of the telephone system took an active interest in its development. They discussed toll connecting arrangements with the Bell Telephone Company in Alberta and sold their rural interest to the government. Edmonton was unable to connect to the Bell system because its plant was not initially up to standard. This was corrected when Edmonton installed the first automatic dial service in Alberta, and connected with the remainder of the provincial system, by this time operated by the Provincial Government.

In 1906, the Government of Alberta entered the telephone business, bringing service to areas which had to date been without any service whatever. In 1907 it purchased all of the City's newly acquired outlying telephone plant, while Edmonton retained the plant within the City boundaries. Then in 1908, the government purchased all of the plant of the Bell Telephone Company in Alberta. Since then the two systems have operated in the Province. In 1915 Alberta Government Telephones was placed under the jurisdiction of the Public Utilities Board while Edmonton

Telephones remained under control of the City Council.

In 1926 A.G.T. applied to the P.U.B. for approval of a general increase in rates. At that time the cities of Calgary, Lethbridge and Medicine Hat intervened claiming that they were supporting the capital cost of toll and rural lines while Edmonton was using the Provincial system without contributing to its costs. The Mayor of Edmonton contested this claim of the other cities by announcing that he would seek a share of A.G.T. toll revenue. During the years 1927/1928 and 1929 different meetings took place and suggestions and offers aimed at promoting a sale of 'edmonton telephones' to A.G.T. were made in an effort to overcome the contentious question of "toll sharing". None of such efforts succeeded as the City of Edmonton rejected all such suggestions.

During the intervening years up to 1958 the two systems continued to exist side by side, with the occasional boundary problem which required adjustment. In April of 1958 the City of Edmonton again raised a claim to share toll revenue. A.G.T. reacted, as it had done some thirty years before, and refused to acknowledge the City's claim to a share of toll revenue, on the basis that such revenue was needed to subsidize the smaller centers, the rural and remote areas. The two systems continued to wrangle over territorial jurisdiction and service boundaries, without reaching solutions that were completely acceptable.

In 1971 the Telephone Mediation Committee was set up. Its membership included Alexander Lester, retired Bell Canada Vice-President, James W. Dodds, General Manager of A.G.T. and Stanley Hampton, City Utilities

Commissioner of Edmonton. The purposes of this Committee, as set out in the terms of reference, were to consider and make recommendations to reconcile the differences between 'edmonton telephones' and A.G.T. with regard to:

- (1) Boundaries designating areas of service;
- (2) Impasses in contractual matters; and
- (3) All financial matters incidental to the operations of the two systems.

The major recommendations of the Committee were:

1. The two systems should merge through the purchase of 'e.t.' by A.G.T.
2. Failing agreement on merger, a joint corporation should be formed with the City and A.G.T. as partners in providing local service within Edmonton; and
3. Pending action on 1. and 2., local telephone service in the Millwoods and Castle Downs subdivisions should be provided by 'e.t.' All other areas should conform to the 1963 Boundary agreement in the interim period.

The recommendations of the Lester Committee were not satisfactory to the City, and in 1972, there having been a major political change in the Province another Negotiating Committee was set up on a joint basis

consisting of:

Province

Hon. L.F. Werry	Telephone Minister
Hon. A.E. Hohol	Labor Minister
Hon. W.H. Hunley	Minister Without Portfolio

City of Edmonton

Mayor I. Dent
Alderman U. Evans
Alderman L.O. Olsen

In essence the Province took as its position that the City would serve to its corporate limits, and in turn would forego any share of toll revenues in recognition of its responsibility to assist those parts of the Province which were uneconomic to serve.

The City's position was that, while it would expand to its boundaries, it would also press for a share of toll revenues. As a result of the work of this Committee, it was agreed that A.G.T.'s assets in Jasper Place would go to 'e.t.' and the City would provide telephone service within its boundaries. Though the City continued to press for a share of toll revenues, the Government made provision in the A.G.T. - Edmonton Telephones Act which prohibited A.G.T. from entering into any agreement for sharing toll revenues with the City. The Act also provided that the City should not be liable to pay to A.G.T. any contributions toward the costs of the rural distribution system. The Act further provided for the

furnishing of additional equipment required by either party from the other, and for payment of reasonable compensation for such equipment. In the event of any dispute over compensation, the P.U.B. was to arbitrate. An agreement was worked out to cover the arrangements contemplated by the Act.

During the years 1975 to the present time some recognition has been given to the fact that the Edmonton-owned toll-related equipment is being used in arriving at the share of toll revenues coming to Alberta from Trans Canada Telephone Systems and to that extent, some T.C.T.S. and other extra-provincial funds have come to the City-owned system.

It is clear that the dispute between the two systems in Alberta over whether or not and if so how toll revenue should be shared has continued and remains an unsolved source of concern.

In order that some solution might be searched for and hopefully found, the Mayor of Edmonton and the Minister in charge of A.G.T. agreed that a "Joint Study Committee" be set up. Their approval to this scheme is set out as follows:

OBJECTIVE

"As it is expedient and in the public interest that telephone services throughout the Province of Alberta is, as far as practicable, adequate, uninterrupted and supplied economically, having regard to present and future requirements of the Province of Alberta and the City of Edmonton; and,

since the City supplies telephone services within the corporate boundaries of the City through a department of the City, hereinafter called 'edmonton telephones', and the Province supplies telephone services within the Province of Alberta through a crown agency hereinafter called "AGT"; and

since the telephone business environment is undergoing significant change, threatening traditional revenue and cost relationships for telephone companies; and

since it is desirable that the outstanding issues between AGT and 'edmonton telephones' be resolved in a fair and equitable manner to the Citizens of Alberta, therefore the Alberta Government Telephones/'edmonton telephones' Joint Study Committee has been formed."

TERMS OF REFERENCE

That the Government of Alberta and the City of Edmonton agree to establish the Joint Study Committee on the following terms:

- 1) the Committee shall consist of five members of which
 - a) one member shall be appointed by the Minister and his or her reasonable fees and expenses paid by the Government;
 - b) another member shall be appointed by the Mayor and his or her reasonable fees and expenses paid by the City;
 - c) the remaining three members, of whom two shall be

"residents at large", of Alberta and of whom one shall be designated as Chairman, shall be jointly appointed by the Minister and the Mayor and one-half of their reasonable fees and expenses paid by each of the City and the Government; and

- d) two resource people will be available to the Committee, one from Alberta Government Telephones and the other from 'edmonton telephones'. These resource people would be available to answer questions and provide technical information upon request by the Committee.

- 2) The Chairman shall be required to chair all meetings of the Committee and to organize its activities. At the end of each of the first and second months after the date all of the members have been appointed the members shall, as a Committee, be required to submit an interim report on their progress to each of the Minister and the Mayor and shall be required to submit their final report to each of them at the end of the third month.

- 3) The Government and the City shall use their best efforts to ensure that Alberta Government Telephones and 'edmonton telephones' and their respective officers and employees provide to the Committee all information, including copies of documents, reasonably required to carry out its duties.

The Study Committee shall investigate and submit a written report of the

Committee's findings and recommendations relating to:

- a) connecting arrangements between Alberta Government Telephones and 'edmonton telephones' concerning the matter of toll revenue; and
- b) any other issue as the Committee deems necessary to reach their conclusions on toll revenue.

As a result this Committee came into being as expressed in a press release in the following terms:

Honourable Bob Bogle, Minister, Utilities and Telecommunications and Mayor C.J. Purves today announced the appointment of a Joint Study Committee to focus on the matter of toll revenue.

Specifically, this Joint Study Committee has been established to investigate and submit a written report of the Committee's findings and recommendations relating to:

- (a) connecting arrangements between Alberta Government Telephones and 'edmonton telephones' concerning the matter of toll revenue; and
- (b) any other issue as the Committee deems necessary to reach its conclusions on toll revenue.

This Joint Study Committee will be chaired by J.V.H. Milvain, Calgary. The remaining four members of the Committee are:

Harry Hyde	- Edmonton
Dan Shea	- Three Hills
Hu Harries	- Edmonton
Doug Burrows	- Edmonton

We are grateful to Mrs. Christine Hunt for her sterling services as secretary.

This Committee has now heard detailed and helpful submissions from the Honourable R.J. Bogle, Minister of Utilities and Telecommunications for the Province of Alberta, His Worship Mayor C.J. Purves of the City of Edmonton, as well as from personnel of A.G.T. and 'edmonton telephones' and others. They are:

Mr. K. Foster, General Manager, 'e.t.'

Mr. F. Windwick, Planning Manager, 'e.t.'

Mr. B. Baptie, Director of Intercompany, Rates and Regulatory Affairs, 'e.t.'

Mr. J.E. Fyles, Assistant Vice-President, Corporate Planning and Development, A.G.T.

Mr. H. Neldner, Vice-President, Finance, A.G.T.

Mr. A. Hawkins, Manager, Telephone Department, City of Thunder Bay.

Mr. S. MacPherson, Chairman of the 'City of Prince Rupert Connecting Agreement with British Columbia Telephone Company' Committee of Enquiry.

Mr. P. McLaren, Northern Telecom.

Mr. G. Morlan, A.T. & T.

Mr. R. Parenteau, Bell Canada.

In addition to the oral presentations made by the above named people a lot of written material came to us as indicated in the following list.

Exhibit No.

1. 'AGT and 'edmonton telephones' - History and Background Information'.

2. 'Position Statement to the Joint Study Committee' prepared by 'et'.
3. 'AGT Presentation to the AGT/'et' Joint Study Committee' Parts 1 and 2 plus an attachment showing AGT Statement of Income and Retained Earnings for 1981.
4. 'City of Prince Rupert, Connecting Agreement with B.C. Telephone Company. Report of the Committee of Enquiry.'
- 4A. Prince Rupert Decision.
5. 1980 'et' Revenues from AGT.
6. AGT Undertaking - payments by AGT to 'et'
7. Diagram of Public Switched Network.
8. Regulation in Alberta, prepared by 'et'.
9. 'A Factual and Conceptual Framework for Evaluating Toll Settlements in Alberta' prepared by 'et'.
10. The Address of Mayor Pruves to the Committee.
11. The Address of Hon. R. Bogle to the Committee.
12. 'Toll Settlement Principles' prepared by 'et'.
13. 'Toll Settlement Methods' prepared by 'et'
14. AGT Submission.
15. Various information requests prepared by AGT.
- 16A. Breakdown of Tax Payments to City of Edmonton for 1982 prepared by 'et'.
- 16B. Rate Comparison - 1983 prepared by 'et'.
- 16C. Return on Rate Base Comparison prepared by 'et'.
17. 'The City of Edmonton's Comments on the AGT Submission to the Joint Study Committee'.
18. Various information requests prepared by AGT.
19. Information request, Financial Aspects of the Province's purchase of 'et' prepared by AGT.
20. Information request, Definition of Toll Profit prepared by AGT and 'et'
21. Information request, Breakdown of toll revenues for calls

originating in Edmonton, prepared by AGT.

22. Information request, Comparative Requirements Test and Equalised Rate of Return methods of determining compensation levels, prepared by AGT.
23. Information request, the savings and ramifications of amalgamation of AGT and 'et', prepared by AGT.
24. Difference between Equalised Rate of Return and Comparative Requirements Test, prepared by 'et' and A.G.T.
25. Information request, Subsidies to local telephone service in Calgary.
26. Information request, Toll service revenue per telephone in 1981, prepared by 'et'.
27. Information request, AGT and 'et' tax expenses for 1982.
28. Information request, the incremental cost of a call from 'et' exchange to the toll office, prepared by 'et'.
29. Information request, Profitability of Toll, prepared by 'et' and A.G.T.
30. Visigraphs of Mr. G. Morlan, entitled 'Technology, Competition, and the Restructuring of the US Telecommunications Industry'.
31. Visigraphs of Mr. P. McLaren, entitled 'Joint Study Committee on Toll Revenue, Future Trends in Telecommunications'.
32. Information request, an impact analysis of the application of Alternate Appendix 'B' to the AGT/'et' situation, prepared by 'et' and A.G.T.
- 32A. Revised impact analysis, prepared by AGT.
- 32B. Notes on Alternate Appendix 'B' Calculations, prepared by AGT.
33. Information request re: Ernst & Whinney report, prepared by 'et'.
34. Information request, average cost of a call to the toll office, prepared by 'et'.
35. Information request, meeting between AGT/'et' and Mr. MacPherson.
36. AGT Financial Statements, 2 parts.
37. AGT Annual Report.
38. 'edmonton telephones' position.

39. Financial Statements for 1982, prepared by 'et'.
40. Information request - Impact on each other, TCTS Member of paying Alternate Appendix "B" Commissions to 'et', prepared by AGT.
41. Information request, 'et' toll billing proposal - Impact on AGT operations, prepared by AGT.
42. AGT Summation to the AGT/'et' Joint Study Committee.
43. Financial considerations relating to the issues under review, prepared by AGT.
44. 'et' comments on AGT's summation.
45. Revised Exhibit 40, prepared by AGT.

It is very apparent to this Committee that the dispute regarding toll sharing is deep rooted and extremely persistent. The City takes the position that in all fairness and equity, it is entitled to a share of toll revenue. In order that such an end be achieved it submits that the parties should enter into what is known and recognised in the business as "an Alternate Appendix B Agreement". On the other hand A.G.T. contends that any such agreement whether based on revenue or costs or any other basis will not end a continual controversy between the two contending systems and that the only solution lies in some form of merger which places all toll revenue into the hands of a single system that is entitled to such revenue. We on this Committee are aware that all toll revenue coming to the suppliers of service in Alberta is from a combination of two sources. It is from the long distance tolls related to calls which begin and end within the Province, and from those that begin or end outside the Province and must in doing so pass through the system which is within the Province. With respect of tolls which pass through systems outside the Province the share of revenue which comes to the system within the Province is

determined by agreements with those systems which are extra-Provincial, the main being the Trans-Canada Telephone System. We are also aware that there are many developments in the field of telecommunications that will pose problems in the field of competition which will have great impact on the whole toll and other such related fields of revenue.

This Committee is satisfied that there are at least two basic principles involved and which are applicable to any concept of toll sharing.

1. Telephone companies are entitled to a share of the toll revenue generated, based on usage.
2. In the case of Alberta telephone companies they accept the obligation to provide funds to finance telephone services which are not self-supporting.

In concluding its task within its mandate as defined in these words:

"The Study Committee shall investigate and submit a written report of the Committee's findings and recommendations relating to:

- (a) connecting arrangements between Alberta Government Telephones and 'edmonton telephones' concerning the matter of toll revenues; and
- (b) any other issue as the Committee deems necessary to reach their conclusions on toll revenue."

This Committee bears in mind the necessity of reaching a lasting solution which will bring to telephone users in Alberta, a just and equitable distribution of all toll revenue, whether from internal operations or through Trans-Canada Telephone System, and makes the following recommendations:

1. That a company be created, before the end of 1988, to take over the entire telephone system in Alberta so designed as to give fair, equitable and efficient service to all users and in which the members of the public shall have the right to acquire shares.
2. As time will be needed in which to set up such a company that in the meantime A.G.T. and 'et' shall, before the end of 1983, enter into an "Alternate Appendix B" Agreement
3. That the agreement provided for under 2. above shall, before coming into effect, be approved by the P.U.B. who shall implement the 2 principles previously adopted.
4. That the necessary legislative changes be put in place to allow implementation of our recommendations.

Latest Copy as of May 1963

TRAFFIC AGREEMENT

BETWEEN:

its head office in _____ having
at _____, herein
represented by
who declares himself duly authorized to
these presents;
hereinafter called "THE COMPANY"

and: BELL CANADA, a company legally constituted
having its head office in Montreal at 1050
Beaver Hall Hill, herein represented by
who
declares himself duly authorized to these
presents;
hereinafter called "Bell Canada"

WHEREAS both parties consider that it is in the
public interest to connect their respec-
tive systems for the purpose of inter-
changing communications,

THE PARTIES AGREE TO THE FOLLOWING:

Objective:

1. They agree to connect their respective tele-
communications systems for the purpose of jointly
providing to their subscribers, the services
enumerated in the attached appendices.

Description
of Systems:

2. For the purpose of this Agreement the system
of Bell Canada shall include any system which it at
any time owns, operates or provides interchange of
communications with the system of THE COMPANY. The
latter's system shall consist of any system which
it owns or operates or any other system for which
it provides interchange of communications with the
system of Bell Canada. Should THE COMPANY propose
to interexchange communications with a new system
other than the systems interconnected as of the
effective date of Appendix 1, Section 1.1 of this
Agreement, THE COMPANY shall advise Bell Canada
in writing of such proposal in reasonable detail,
60 days in advance of the proposed interconnection.

Points of
Connection:

3. The parties agree to connect their respec-
tive systems at the point(s) of connection described
in Section 1.3 of Appendix 1.

Facilities:

4. Each party shall, by itself or through others, so construct, equip and maintain its system that the telecommunication service furnished will at all times conform to the generally accepted standards for communications throughout North America and each shall, by itself or through others, furnish those facilities required to ensure the appropriate routing of local and long distance messages.

Protection:

5. Each party shall be responsible for taking the necessary precautions in the location, construction and maintenance of its system against all hazards, troubles and interference from other lines.

Connecting,
Switching,
Routing and
Operating:

6. (a) Each party shall be responsible for the proper connections being made on its system so that direct and prompt communication may be established between the users of its system and those of the other party;

(b) Each party shall comply with the methods and practices agreed upon between themselves as to the switching and routing of communications; each party shall also ensure that the users of its system observe such rules and regulations applicable to communications interchanged hereunder;

(c) The toll operating required in connection with long distance communications shall be performed by the party designated in Section 1.2 of Appendix 1.

Charges:

7. The charges for all communications interchanged hereunder shall be in accordance with such rates and regulations as Bell Canada shall from time to time establish or adopt, and THE COMPANY shall establish upon its system such rate centres as may be required for this purpose. No charge in excess of such charges shall be exacted by either party except a reasonable charge for a messenger when necessary to notify a person for whom a call is received.

Records
and Reports:

8. (a) Each party shall keep proper records of its transactions hereunder and such records shall be subject to inspection by the other during business hours.

(b) Each party shall promptly furnish the other with records and reports of communications interchanged hereunder in the manner and form mutually agreed upon.

(c) At the end of each billing period Bell Canada shall provide THE COMPANY with a monthly summary of the communications interchanged hereunder and shall send with such summary a statement of the net amount due to either party. When THE COMPANY requests Bell Canada to provide

individual statements (B.T. Form 931) of each of its customers' communications, a charge as specified in Appendix 2 Section 2.9 of this Agreement will apply.

Basis of Settlement:

9. (a) The amounts to which each party shall be entitled for the use of its system and for services rendered hereunder shall be determined in accordance with the methods described in the attached appendices;

(b) Each party shall be responsible for the collection of all charges for interchanged long distance communications which are payable by the users of its system and shall be responsible to the other party for the amount of such charges due it except charges for Long Distance card or 3rd number messages which remain the responsibility of the party at the point of origination of the call.

Settlement of Accounts:

10. All amounts due by virtue of this Agreement will be considered overdue sixty (60) days after the billing date shown on each account. A late payment charge may be made on overdue amounts. This surcharge will be calculated at the rate established for other overdue accounts as referred to in Bell Canada's General Tariff Item 25 and will be applied to each month or part of the month during which the unpaid amount remains outstanding.

Statistics:

11. Each party shall, upon request, furnish the other with all necessary information for preparation of directories, for determining the quality of the service rendered to the public in connection with communications interchanged hereunder and for the compilation of statistics and engineering data.

Liability:

12. (a) Neither party shall be liable to the other for any damages or injuries which may be caused by lightning or other currents being carried over its system to the system of the other party;

(b) Neither party guarantees to the other the uninterrupted working of its service and/or of its equipment. It shall not be liable to the other party or to any other person for damages resulting from mistakes, omissions, interruptions, delays, errors in transmission, defects in transmission, failures or defects in equipment, or from any other cause.

Territorial Exclusiveness:

13. Each party recognizes the exclusive nature of the other's territory and agrees to respect its territorial integrity unless there is written agreement to the contrary and upon approval of the competent authorities if required by law.

Insolvency:

14. If either party becomes bankrupt or insolvent, or makes an assignment for the benefit of its creditors, or violates any other provision of this agreement, the other party may, by simple notice in writing, terminate this agreement forthwith.

Defaults:

15. The failure of either party to enforce any provisions of this agreement or the waiver thereof in any instance shall not be construed as a general waiver on its part of any such provisions and the same shall, nevertheless, be and remain in full force and effect.

Appendices and
Modifications:

16. (a) The following appendices form an integral part of this traffic agreement:

- Appendix 1 - Operating & Routing,
- Appendix 2 - Basis of Settlement,
- Appendix 3 - Operator Services;
- Appendix 4 - Extended Area Service (EAS)
- Appendix 5 - Inter-Exchange Facilities with Carrier
Equipment
- Appendix 6 - Public Mobile Telephone Service

(b) The parties may by mutual consent at any time during the term of this contract, add or delete one or more appendices or amend, substitute or replace the above appendices. In such event, the new appendix or appendices shall be signed for identification on behalf of each party by an appropriate official duly authorized for that purpose and be attached hereto, whereupon it shall be deemed to form part hereof and shall, add to, amend, substitute or replace the appendices hereto.

Approvals:

17. This Agreement including any modifications is subject to the approval of the Canadian Radio-television and Telecommunications Commission and of the Ontario Telephone Service Commission, or their successors.

Each party agrees to apply for such approval from its Regulatory Authority at its own expense and shall furnish the other party with a copy of the approving order.

Should either party fail to apply for such approval within thirty (30) days from the date of this Agreement, the other party may do so itself at the cost and expense of the defaulting party.

Effective
Date and
Termination:

18. This Agreement shall become effective and binding as of the day of 19 and shall continue in effect until terminated by sixty (60) days prior notice in writing from either party to the other.

Except as to any sums due thereunder, this Agreement cancels all previous Agreements between the parties or their respective predecessors covering communications interchanged hereunder.

Notices and
Amendments:

19. All notices to be given hereunder shall be in writing and shall be hand delivered or sent by registered mail, with proper postage, addressed as follows:

In the case of THE COMPANY

In the case of Bell Canada

Bell Canada,
Director Independent Company Relations, O.R.
393 University, Floor 19,
Toronto, Ontario.

or at any other address which either party may notify the other of in writing.

For these presents, both parties elect domicile at the above addresses.

IN WITNESS WHEREOF the parties have executed this agreement
in this day of 19 .

EXECUTED
in presence of

per _____

Date: _____

(title)

EXECUTED
in presence of

BELL CANADA

per _____

Date: _____

(title)

APPENDIX 1

Attached to and forming part of Traffic Agreement
dated:

Between: THE COMPANY
and Bell Canada

This Appendix provides a list of THE COMPANY'S rate centres, describes the responsibility for toll operating, provides a list of the point(s) of connection, and also a list of the jointly provided Extended Area Service. This information is contained in the following sections which are attached to and form part of this Appendix.

Effective Date

SECTION 1.1 - List of THE COMPANY'S Rate
Centres

SECTION 1.2 - Responsibility for Toll Operating

SECTION 1.3 - Description of Point(s) of
Connection

SECTION 1.4 - List of Jointly Provided Extended
Area Service (EAS)

Signed for identification:

Per

Date:

(Title)

BELL CANADA

Date:

Per

(Title)

SECTION 1.1 to Appendix 1 of Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

Effective:

LIST OF THE COMPANY'S RATE CENTRES

All the systems of THE COMPANY are within the boundaries of its underlisted rate centres.

RATE CENTRE

TOLL CENTRE

SECTION 1.2 to Appendix 1 of Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

Effective:

RESPONSIBILITY FOR TOLL OPERATING

Bell Canada shall perform all toll operating required in connection with communications interchanged under this Traffic Agreement, except as detailed below.

SECTION 1.3 to Appendix 1 of Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

Effective:

DESCRIPTION OF POINT(S) OF CONNECTION

As referred to in Paragraph 3 of the Traffic Agreement Bell Canada shall connect its system with the system of THE COMPANY at the point(s) of connection described below:

SECTION 1.4 to Appendix 1 of Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

Effective:

LIST OF JOINTLY PROVIDED EXTENDED AREA SERVICE (EAS)

Between

and

Point of Connection No. *

* See Section 1.3 for description

APPENDIX 2

Attached to and forming part of Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

BASIS OF SETTLEMENT

This Appendix describes the methods of determining the amounts to which each Company is entitled for all facilities and service furnished by it in connection with the jointly provided services listed below:

Effective Date

SECTION 2.1 - Message Toll

SECTION 2.2 - Formulae to Calculate Commission
Payment per Message

SECTION 2.3 - Teletypewriter Exchange
Service (TWX)

SECTION 2.4 - Wide Area Telephone
Service (WATS)

Effective Date

SECTION 2.5 - Special Reversed-Charge
Service (S.R.C.S. or Zenith)

SECTION 2.6 - Inter-exchange Services

SECTION 2.7 - Automatic Number
Identification (A.N.I.)

SECTION 2.8 - Local Automatic
Message Accounting (L.A.M.A.)

SECTION 2.9 - Payment For Toll Statements
(B.T. Form 931)

Signed for identification:

Per _____

Date: _____

(Title)

BELL CANADA

Date: _____

Per _____

(Title)

SECTION 2.1 to Appendix 2 of Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

This Section 2.1 shall come into force on June 21, 1981 and, shall continue in effect until June 20, 1983 unless otherwise agreed upon in writing by both parties.

MESSAGE TOLL

The amount to which THE COMPANY is entitled for facilities and services furnished by it in connection with telephone communications interchanged under said Traffic Agreement shall be determined as hereinafter described.

A. COMMISSIONS

1. The originating payments, hereinafter called "commissions", to which THE COMPANY shall be entitled, shall be computed using the formulae listed in Appendix 2 Section 2.2 by inserting the calculated average revenue per message (ARPM) as more fully described hereunder.

Where THE COMPANY has more than one exchange, the messages and revenues for all exchanges shall be added together and a common commission payment shall be determined for all such messages.

The commission payments to which THE COMPANY shall be entitled shall be determined for a given billing period as follows:

- (a) Compute the average revenue per message for sent-paid and received-collect messages by dividing the revenues subject to settlement for such messages by the number of such messages.
- (b) Using the ARPM derived in A1(a) calculate the value of the commission per message from the appropriate formula in Appendix 2 Section 2.2.
- (c) The commission per message as determined in A1(b) will be applied to the total sent-paid plus sent-collect messages originated by THE COMPANY to determine total commission payments.

2. THE COMPANY'S total sent-paid plus sent-collect messages for use in A1(c) above will be determined as described in this paragraph A2 and the following paragraph A3.

- (a) The actual registered sent-paid plus sent-collect messages, will include charged local calls such as local mobile, local conference and local charged coin telephone calls.
- (b) For each exchange multiply the number of sent-paid plus sent-collect messages in A2(a) by the appropriate Small Exchange Factor, if applicable, set forth in the following table.

<u>No. of Messages</u>	<u>Small Exchange Factor</u>	<u>No. of Messages</u>	<u>Small Exchange Factor</u>
1-500	1.70	2401-2500	1.32
501-1000	1.67	2501-2600	1.30
1001-1100	1.64	2601-2700	1.28
1101-1200	1.61	2701-2800	1.26
1201-1300	1.58	2801-2900	1.24
1301-1400	1.55	2901-3000	1.22
1401-1500	1.52	3001-3100	1.20
1501-1600	1.50	3101-3200	1.18
1601-1700	1.48	3201-3300	1.16
1701-1800	1.46	3301-3400	1.14
1801-1900	1.44	3401-3500	1.12
1901-2000	1.42	3501-3600	1.10
2001-2100	1.40	3601-3700	1.08
2101-2200	1.38	3701-3800	1.06
2201-2300	1.36	3801-3900	1.04
2301-2400	1.34	3901-4000	1.02
		over 4000	1.00

- (c) For those companies having 3000 or fewer working telephone numbers, a Small Company Factor, as set forth in the following table, will be applied to the number of sent-paid plus sent-collect messages derived in A2(a) and/or A2(b) above. Working telephone numbers shall be those reported to the Ontario Telephone Service Commission at 31 December each year and will apply to the following 12 calendar settlement periods.

Small Company Factors

<u>Working Telephone Numbers</u>	<u>Factor</u>
0 - 400	1.12
401 - 800	1.10
801 - 1200	1.07
1201 - 1600	1.05
1601 - 2000	1.03
2001 - 2500	1.02
2501 - 3000	1.01

- (d) Combine THE COMPANY sent-paid plus sent-collect messages for all exchanges as derived in A2(a), (b) and (c) above.

3. To ensure that THE COMPANY's percent retention of its originated sent-paid plus received-collect revenues does not decrease or increase solely because of a change in Bell Canada's Ontario-Quebec message toll schedule, an Adjusting Factor shall be developed as described in A3(a) and (b) below. The Adjusting Factor shall be listed in Appendix 2 Section 2.2 and shall be applied to THE COMPANY's sent-paid plus sent-collect messages determined in A2(d) commencing on the closest billing date either preceding or following a revision to the Ontario-Quebec message toll schedule to obtain total sent-paid plus sent-collect messages.

Any interim changes to Trans-Canada or Canada-US rates will be taken into account at the same time as the next adjustment is made for the Ontario and Quebec rate schedule.

- (a) THE COMPANY's total billable sent-paid plus received-collect messages to points rated according to the Ontario-Quebec message toll schedule and the sent-paid messages to points rated according to the Trans-Canada and United States message toll schedules for three 14 day traffic studies taken from the 7th to 20th March, August and November in the year preceding a change to Bell Canada's Ontario-Quebec message toll schedule shall be rated as follows:

- i. At Bell Canada's applicable Ontario-Quebec, Trans-Canada or Canada-U.S. rates in effect immediately before a Bell Canada Ontario-Quebec message toll rate revision.
- ii. At Bell Canada's applicable Ontario-Quebec, Trans-Canada or Canada-U.S. rates in effect immediately following a Bell Canada Ontario-Quebec message toll rate revision.

- (b) The Adjusting Factor applicable to the sent-paid plus sent-collect messages will be calculated as follows:

- i. Compute the average revenue per message for THE COMPANY'S messages rated as described in paragraph A3(a)i.

- ii. Determine the commission amount corresponding to the average revenue per message obtained in paragraph A3(b)i. using the applicable formula appearing in Appendix 2 Section 2.2.
- iii. Compute the percentage of retention of THE COMPANY's revenues by using the following formula:

$$\frac{A3(b)ii \times 100.}{A3(b)i}$$
- iv. Compute the average revenue per message for such messages rated as described in paragraph A3(a)ii.
- v. Determine the commission amount corresponding to the average revenue per message obtained in paragraph A3(b)iv. using the applicable formula appearing in Appendix 2.2.
- vi. Compute the required commission amount per message corresponding to the average revenue per message described in paragraph A3(b)iv. which will provide the same percent retention of revenues as prior to the rate change using the following formula:

$$\frac{A3(b)iv \times A3(b)iii.}{100}$$
- vii. Compute the Adjusting Factor applicable to the sent-paid and sent-collect messages required to provide THE COMPANY with the same percent retention of revenues as it received prior to Bell's Ontario-Quebec message toll rate revision using the following formula:

$$1 + \frac{A3(b)vi - A3(b)v}{A3(b)v}$$
- viii. The Adjusting Factor computed in A3(b)vii. must be recalculated each time there is a change in the Ontario-Quebec message toll schedule to reflect the most recent change in rates. Each change shall be computed on its own merits and the Adjusting Factor so derived compounded with any previously determined Factor. The latest Adjusting Factor shall be inserted in Appendix 2 Section 2.2 and shall remain in force until there is a requirement for a further revision to the Factor.

4. To compensate for the additional equipment provided by THE COMPANY in connection with interexchange circuits handling toll traffic into a Bell Canada C.A.M.A. installation, a flat settlement of \$5.00 per circuit per month shall be made.
5. A Long Distance card message, or a toll message to be billed to a third telephone, will be treated as a "sent-collect" message at the telephone where it originates and a "received-collect" message at the telephone where it is billed, except that, if the charges are to be billed to another telephone in the same exchange in which the message originates, such message shall be treated as "sent-paid".

B. SETTLEMENT FOR LINE-HAUL PARTICIPATION

1. A settlement will be paid which is proportional to the number and route mileage of the circuits used for handling messages exchanged with Bell Canada. The amount shall be determined by a study conducted as follows, and shall vary as the number and route mileage of the circuits vary.
 - (a) When the circuits are used exclusively for traffic exchanged between the system of THE COMPANY and that of Bell Canada:
 - (i) THE COMPANY shall inform Bell Canada of the number and length of the circuits to the nearest tenth of a mile by the circuit groups.
 - (ii) The monthly settlement factor per circuit mile for each circuit group shall be established as set forth in the table appearing below.

<u>Number of Circuits</u>	<u>Monthly Settlement Factor Per Circuit Mile</u>	<u>Number of Circuits</u>	<u>Monthly Settlement Factor Per Circuit Mile</u>
1	\$ 4.50	26	\$ 65.20
2	7.80	27	67.50
3	10.65	28	69.85
4	13.25	29	72.15
5	15.85	30	74.45
6	18.45	31	76.80
7	20.80	32	79.10
8	23.15	33	81.45
9	25.50	34	83.75
10	27.90	35	86.00
11	30.25	36	88.25
12	32.60	37	90.50
13	34.95	38	92.80
14	37.35	39	95.10
15	39.70	40	97.35
16	42.05	41	99.45
17	44.35	42	101.50
18	46.65	43	103.60
19	49.00	44	105.65
20	51.35	45	107.75
21	53.65	46	109.85
22	55.95	47	111.90
23	58.30	48	114.00
24	60.60	49	116.05
25	62.90	50	118.15
Over 50: for each additional circuit, add	2.00		

(iii) The monthly settlement for each circuit group is then established by multiplying the settlement factor determined as set forth in Paragraph (ii) above by the number of circuit miles for the group.

(b) When THE COMPANY'S exchanges are equipped with digital facilities, with remote (RLM) switches homing on a host digital location, it will be necessary to determine the proportion of the total circuits connecting with Bell Canada's facilities which serve each Company digital exchange.

To establish these proportions, the revenues associated with THE COMPANY'S originated TransCanada and Canada-U.S., as well as originated and terminated Ontario/Quebec message toll traffic, as determined from the three Message Mile Studies conducted by Bell Canada annually in March, August and November, will be used to calculate the percentage distribution of said revenues among the centres concerned.

These percentages will be used to apportion the common usage trunks shared by the centres concerned. The portions of common usage trunks so derived will be added to the readily identifiable trunk circuits dedicated to each centre to establish the total circuits from the point of connection to each centre. The percentages so established will be reviewed annually, and will be adjusted as required.

- (c) When THE COMPANY also uses its circuits for toll service between any two points in its system, without using them for connecting with Bell Canada's system or for Extended Area Service or for both, a study shall be made in order to determine what percentage of the use of these circuits is devoted to handling messages exchanged with Bell Canada's system:
- (i) The number of sent-paid and sent-collect messages originating in the system of THE COMPANY and terminating in Bell Canada's system shall be determined for the circuit group in question.
 - (ii) The number of sent-paid and sent-collect messages routed between points in the system using, without passing over Bell Canada's system, the same circuits as those used for handling the messages terminating in Bell Canada's system referred to in Paragraph (i) above shall be determined for the circuit group in question.
 - (iii) In order to compare the use of the circuits, the number of messages referred to in Paragraph (ii) shall be multiplied by the ratio between the average length of the conversations referred to in Paragraph (ii) and those referred to in Paragraph (i).
 - (iv) Also for purposes of comparison, the number of Extended Area Service messages using the same circuits as the messages referred to in Paragraph (i) above shall be determined. The number of the said messages shall be multiplied by the ratio between the average length of the conversations associated with Extended Area Service traffic and those referred to in Paragraph (i) above.

- (v) The total number of messages in the period covered by the study shall be determined by adding the data from Paragraphs (i), (iii) and (iv).
- (vi) The percentage of use of the circuits for traffic from or to Bell Canada's system shall be determined by dividing the number of messages from Paragraph (i) above by the number of messages determined from Paragraph (v) above and multiplying the result by 100.
- (vii) The percentage shall then be multiplied by the settlement applying to these circuits as determined in accordance with Paragraph (a)(iii) above, thus obtaining the settlement associated with the use of the circuits for messages exchanged with Bell Canada's system.
- (viii) The settlement determined by the initial study shall serve as the basis for settlement, and shall apply until a new level of settlement determined by means of a subsequent study becomes effective - namely, starting on the first day of the period for which the study was made. However, if a study becomes necessary because of a physical change in the toll network of either company, or because of a significant change in the routing of toll traffic, the new amount of the settlement shall become effective on the date that change is made.
- (ix) The monthly settlements for each circuit group determined in accordance with Paragraphs (a)(iii) and (b)(vii) above shall be added together to obtain the total monthly settlement for the use of circuits for messages exchanged with Bell Canada.

C. OVERSEAS AND SHIP-TO-SHORE COMMUNICATIONS

On communications between points on the system of THE COMPANY and points reached through overseas or ship-to-shore facilities, the commissions shall be determined in accordance with the above provisions, except that each such communication shall be considered as a message, at the rate appropriate to the service, to or from the central switch-board point at which the connection is first established with the overseas or ship-to-shore facilities.

D. OTHER CHARGES

Charges for messenger service and other charges, which revert to others for services rendered or facilities furnished, as well as all other amounts paid in accordance with the provisions of Paragraph C above, shall not be included in the amount upon which commissions are calculated. Each Company shall be responsible to the other for such charges and such amounts shall be included in settlement of accounts between the Companies.

E. REVENUE SETTLEMENT

All revenues in respect of message toll communications interchanged under said Traffic Agreement, other than the amounts to which THE COMPANY is entitled as aforesaid, shall be paid to or retained by Bell Canada.

SECTION 2.2 to Appendix 2 of Traffic Agreement

dated:

Between:

and Bell Canada

Effective: FROM 1981 09 21 TO 1981 06 20

FORMULAE TO CALCULATE COMMISSION PAYMENT PER MESSAGE

For:

Commission Payment:

A.R.P.M. up to 1.799

$.3817 + .4694 \text{ (A.R.P.M.)} - .1304 \text{ (A.R.P.M.)}^2$

A.R.P.M. 1.800 and above

$.8000 + .0021 \text{ (A.R.P.M.)}$

ADJUSTING FACTOR TO COMPENSATE FOR RATE CHANGES

Adjusting Factor

Commission payments and adjusting factor are calculated to 3 decimal places, rounding up if the following digit is 5 or greater, otherwise rounding down.

SECTION 2.2 to Appendix 2 of Traffic Agreement

dated:

Between:

and Bell Canada

Effective: FROM 1982 08 21 TO 1983 06 20

FORMULAE TO CALCULATE COMMISSION PAYMENT PER MESSAGE

For:

Commission Payment:

A.R.P.M. up to 1.799

$.4008 + .4929 \text{ (A.R.P.M.)} - .1369 \text{ (A.R.P.M.)}^2$

A.R.P.M. 1.800 and above

$.8400 + .0022 \text{ (A.R.P.M.)}$

ADJUSTING FACTOR TO COMPENSATE FOR RATE CHANGES

Adjusting Factor 1.215

Commission payments and adjusting factor are calculated to 3 decimal places, rounding up if the following digit is 5 or greater, otherwise rounding down.

SECTION 2.3 to Appendix 2 of Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

Effective:

TELETYPEWRITER EXCHANGE SERVICE (TWX)

General

This section establishes the general basis of revenue settlement for Teletypewriter Exchange Service.

Monthly
Settlement

Revenue sharing shall be determined as follows:

A. - MONTHLY CHARGES

- The monthly equipment charges accrues to the party that provides and maintains the equipment.
- The service charges accrue to the party who installs or effects modifications to the equipment.
- The charges for additional listings in the TWX directory accrue entirely to Bell Canada.
- The party who serves the customer through one of its Central offices and provides the local connection shall bill and collect the monthly charges.

B. - COMMISSIONS

- The amount of commissions on the messages originating in THE COMPANY'S territory shall be established in accordance with the method described in Section 2.1 of this Appendix.

B.- COMMISSIONS cont'd

- Commission payments are made for the specific messages and average revenue per message of TWX traffic.
- The Small Exchange Factors and Small Company Factors contained in Section 2.1 of this Appendix are not applicable to TWX service.

C.- LINE HAUL

- No separate line haul payment is made for circuits between switching centres as these circuits are shared with Message Toll.
- Line Haul, in accordance with the method described in Section 2.1 of this Appendix is paid for TWX access lines at the average rate per circuit mile of the toll circuit group at the date of the TWX contract.

SECTION 2.4 to Appendix 2 of Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

Effective:

WIDE AREA TELEPHONE SERVICE (WATS)

General

This Section establishes the general basis of revenue settlement for Wide Area Telephone Service (OUTWATS) and (INWATS).

Monthly
Settlement

Revenue sharing shall be determined as follows:

A.- WIDE AREA TELEPHONE SERVICE (OUTWATS)

(1) Traffic originating from the system of Bell Canada

- The commission paid for message toll set forth in Section 2.1 of this Appendix includes a compensating factor for Bell Canada originated OUTWATS calls terminating in THE COMPANY for which no other settlement payments are made.

(2) Traffic originating from the system of THE COMPANY.

- It is assumed OUTWATS traffic will have the same distribution as message toll traffic, thus message toll settlement data is used to determine the percentage of OUTWATS monthly revenues accruing to THE COMPANY.
- THE COMPANY will receive a commission for OUTWATS service.

(2) Traffic originating from the system of THE
COMPANY. - continued

- Those companies performing the Local Automatic Message Accounting function will receive compensation for OUTWATS service in accordance with the provisions of Appendix 2, Section 2.8.
- No Line Haul payment will be made as OUTWATS traffic utilizes circuits in common with message toll and this settlement is provided for under Section 2.1 of this Appendix.
- The calculation of the monthly settlement uses the following data:
 - (a) Monthly OUTWATS Revenues
 - (b) THE COMPANY'S SP + RC Message Toll Revenue
(Previous twelve month total)
 - (c) THE COMPANY'S Message Toll Commissions
(Previous twelve month total)
 - (d) The COMPANY's "LAMA" settlement
(Previous twelve month total)
 - (e) THE COMPANY's Message Toll Adjustments
(Previous twelve month total)
 - (f) Total Message Toll Payments to
THE COMPANY (c + d + e)
 - (g) % of Message Toll Revenue Retained
(f - b x 100)
 - (h) Payments to THE COMPANY for OUTWATS (a x g)

B.- WIDE AREA TELEPHONE SERVICE (INWATS)

(1) Traffic Terminating at the system of THE COMPANY.

- Because of special switching requirements, INWATS traffic will always be B-I traffic regardless of points of origin and termination.
- THE COMPANY will receive a commission on 70% of these messages at levels set forth in Section 2.2 of this Appendix at the average revenue per message level applicable to the current month's message toll settlement.
- The calculation of the monthly settlement is as follows:
 - $\frac{\text{Monthly INWATS Billed Revenues}}{\text{Message Toll ARPM}} = \text{Number of Messages}$
 - Number of messages x .7 x commission per message.

(2) Traffic Terminating at the system of Bell Canada

- The commission set forth in Section 2.2 of this Appendix includes a compensating factor for THE COMPANY'S originated INWATS calls terminating in Bell Canada for which no other settlement payments are made if the total number of calls, during a billing period, is less than 10 calls.
- If THE COMPANY originates 10 or more INWATS calls during a billing period it will receive a commission on 70% of these messages at the average revenue per message level applicable to the current month's message toll settlement.
- No Line Haul payment will be made as INWATS traffic utilizes circuits in common with message toll and this settlement is provided for under Section 2.1 of this Appendix.

(2) Traffic Terminating at the system of Bell Canada -
cont'd

- The calculation of the monthly settlement is as follows:

Commission = Number of Messages x .7 x Commission
payment per message

SECTION 2.5 of Appendix 2 of Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

Effective:

SPECIAL REVERSED-CHARGE SERVICE (S.R.C.S. OR "ZENITH")

General

This Section establishes the basis of revenue settlement between both companies for Special Reversed-Charge Service (S.R.C.S. or "Zenith").

Monthly
Settlement

Revenue sharing shall be determined as follows:

A. Messages and Revenues

- S.R.C.S. messages are classed as sent-collect at the originating exchange and received-collect at the terminating exchange for settlement purposes.
- S.R.C.S. messages and revenues are included in the monthly settlement for message toll for THE COMPANY as provided for in Section 2.1 of this Appendix.

B. Monthly Charges

- The monthly charge for S.R.C.S. service originating from an exchange of THE COMPANY will accrue to that company if it lists the S.R.C.S. number in its exchange list in the originating exchange directory.

SECTION 2.6 to Appendix 2 of Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

Effective:

INTER-EXCHANGE SERVICES

General

This section establishes that settlement as mutually agreed upon is made for all jointly provided Inter-Exchange Services as described in Section 8 of Bell Canada's Independent Company Relations Manual.

Monthly
Settlement

Each party calculates the total revenues billed to its subscribers for the jointly provided services, retains its settlement and makes remittance of the difference to the other party.

Settlement for the Inter-Exchange Service provided will include various settlement components depending on the specific service provided. Because of the variety and quantity of services potentially involved and the complexities of the related settlement calculations, each such settlement will be individually calculated and provided for in a separate exchange of correspondence. Explanation of any such settlement to involved Regulatory Authorities will be provided on request by either or both parties.

SECTION 2.7 of Appendix 2 of Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

Effective:

AUTOMATIC NUMBER IDENTIFICATION (A.N.I.)

General

While the optimization of efficiency of the toll network benefits both Bell Canada and the Independent, it is recognized that modernization often must be introduced on a programmed basis. With respect to Automatic Number Identification (A.N.I.), until such time as the large majority of companies have the capability of providing A.N.I., separate compensation will be provided having regard to the additional cost incurred by the participating Independent System.

It is understood that the compensation provided hereunder contemplates that THE COMPANY will provide equipment which is compatible and fully meets the standards and requirements of the toll network. In order that these criteria be met, joint planning must take place between the Two Parties, prior to THE COMPANY making any commitments for the purchase of new or additional equipment for which A.N.I. payments are to be made, under the terms of this supplement.

This section establishes the general basis of revenue sharing for A.N.I. when the identification function only is performed by THE COMPANY for the following exchanges:

Monthly Settlement

(a) Each month Bell Canada will provide to THE COMPANY the number of completed customer dialed not operator serviced messages as recorded on B.T. Form 931. Also included will be the number of completed INWATS messages to the Bell Canada system for each of the above exchanges. As well, THE COMPANY will report the number of completed OUTWATS messages originated from the above exchanges.

OR

Monthly
Settlement
(cont'd)

(b) Where either regenerated Toll Tickets or Magnetic Tape data are provided instead of Form 931, THE COMPANY will report each month to Bell Canada for each of the above exchanges, the number of completed and billed customer dialed not operator serviced messages, identified by its A.N.I. Equipment, transmitted to Bell Canada's Automatic Message Accounting Equipment. Also included will be the number of completed INWATS messages to the Bell Canada system, as reported by Bell Canada, as well as the number of completed OUTWATS messages as reported by THE COMPANY, for each of the above exchanges.

(c) For those Companies connected with Bell's TOPS equipment and having O+ capability, the completed customer dialed not operator serviced messages as referred to in (a) or (b) above will be inflated by a factor equivalent to the percentage of THE COMPANY's sent collect of sent paid messages. This factor will be determined and applied monthly as required as a proxy for the additional customer dialed operator serviced messages, until such time as Bell Canada introduces its Message Service Application (M.S.A.) System, Phase 3, late in 1982. At that time the actual number of completed customer dialed, operator serviced messages will be determined and reported by Bell Canada and will be added to the messages referred to in (a) or (b) above.

(d) Bell Canada will pay THE COMPANY for the use of its Automatic Number Identification Equipment, compensation at the rate of 6.3 cents for each completed message, as referred to in (a) or (b) above.

SECTION 2.8 of Appendix 2 of Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

Effective:

LOCAL AUTOMATIC MESSAGE ACCOUNTING (LAMA)

THE COMPANY will provide the equipment at its _____ office to permit the automatic ticketing and identification of customer-dialed messages originated in the exchanges of _____. THE COMPANY will record the details of these messages and will also perform the associated rating and billing functions for the said messages.

In consideration of THE COMPANY'S carrying out of the above described work Bell Canada will pay to THE COMPANY \$0.025 per customer-dialed message ticketed, identified, rated and billed. This is in addition to any commission payments that may be made under the terms of the Traffic Agreement which may already cover in part or in whole some of the above functions.

To enable the above settlement to be made THE COMPANY will provide Bell Canada each month with the number of completed customer-dialed messages with associated revenues for the period from the 21st of one month to the 20th of the following month. These data must be received by Bell Canada by the 5th working day of the month following the month under report in order to be included in that month's billing. Data received after said date will be included in the following month's statement. In addition THE COMPANY will provide Bell Canada, for other settlement purposes, the full details of completed customer-dialed messages for the periods of the 7th to 20th of March, August and November each year.

SECTION 2.9 Appendix 2 of Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

Effective:

Payment For Toll Statements (B.T. Form 931)

General

This section describes the monthly payments due Bell Canada by THE COMPANY for the provision of Monthly Toll Statements (B.T. Form 931).

Monthly Payments

The monthly payment due Bell Canada will be calculated at the rate of .65 cents (\$.0065) per message entered on B.T. Forms 931 prepared for each of THE COMPANY's customers.

APPENDIX 3

Attached to and forming part of Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

EXCHANGE OPERATING SERVICES

This Appendix provides the general terms and conditions under which Exchange Operating Services are furnished by Bell Canada, the list of THE COMPANY's community dial offices that are involved and related Bell Canada toll centres, the exchange operating services and applicable payments due Bell Canada. This information is contained in the following sections which are attached to and form part of this Appendix.

Section 3.1 - General terms and conditions

Effective Date

Section 3.2 - List of THE COMPANY's community
dial offices and related
Bell Canada toll centres

Section 3.3 - Exchange operating services

Section 3.4 - Payments

Signed for identification:

Per

Date: _____

(Title)

BELL CANADA

Per

Date: _____

(Title)

SECTION 3.1 of Appendix 3 of Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

Effective:

GENERAL TERMS AND CONDITIONS

1. GENERAL

This Section provides the general terms and conditions under which exchange operating services are furnished by Bell Canada to THE COMPANY.

2. SCOPE

Bell Canada agrees to furnish from the toll centres identified in Section 3.2 of this Appendix the exchange operating services as outlined in Section 3.3 of this Appendix for all COMPANY community dial offices also identified in Section 3.2.

3. CENTRAL OFFICE EQUIPMENT AT TOLL CENTRES

Bell Canada provides and maintains such equipment at the toll centres as is necessary to perform the exchange operating services outlined in Section 3.3 of this Appendix.

4. CENTRAL OFFICE EQUIPMENT AT
COMMUNITY DIAL OFFICES

THE COMPANY community dial office provides equipment to be compatible with the toll centre equipment and procedures, and with continent-wide direct distance dialing and automatic message accounting.

5. CIRCUITS BETWEEN COMMUNITY DIAL OFFICES AND THE TOLL CENTRES

If separate or additional inter-exchange circuits are required to perform the exchange operating services outlined in Section 3.3 they shall be provided by the two companies for the same respective distances that they provide the existing toll circuits. Sufficient circuits shall be provided by the companies for the efficient operation of toll service.

6. BASIS OF SETTLEMENT

THE COMPANY recompenses Bell Canada for its plant facilities and services used in furnishing the exchange operating services outlined in Section 3.3, by monthly payments as provided for in Section 3.4.

7. MONTHLY SETTLEMENTS

Bell Canada includes the monthly charges for the exchange operating services on the monthly settlement account billed to THE COMPANY and remittance in full is to be made by the latter under the same conditions specified in clause 10 of this Traffic Agreement.

8. METHODS AND PRACTICES

The exchange operating services are provided by Bell Canada in accordance with the operating methods and practices generally in effect in the toll centre.

9. RECORDS

THE COMPANY shall furnish Bell Canada, in advance of the day when the exchange operating services begin, all information required to establish the records needed for the services outlined in Section 3.3. Any subsequent changes made to these records must be received in writing by Bell Canada at least five working days in advance of the date the change is to become effective.

10. LIABILITY

THE COMPANY agrees to indemnify and save harmless Bell Canada from all claims for damages arising out of or resulting from the furnishing of exchange operating services, or which would not have arisen but for the furnishing of such services.

11. CANCELLATION

Should the furnishing of exchange operating services result in conditions and/or costs which are unacceptable, either party may cancel this Appendix by giving the other party 60 days prior notice in writing.

Section 3.2 of Appendix 3 of Traffic Agreement

Dated:

Between: THE COMPANY

and Bell Canada

Effective:

LIST OF THE COMPANY'S COMMUNITY DIAL OFFICES AND RELATED
BELL CANADA TOLL CENTRES

GENERAL

This Section provides a list of THE COMPANY'S community dial offices and the related Bell Canada toll centres from which exchange operating services are furnished by Bell Canada.

COMMUNITY DIAL OFFICE

TOLL CENTRE

Section 3.3 of Appendix 3 of Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

Effective:

EXCHANGE OPERATING SERVICES

GENERAL

This Section identifies the exchange operating services which are provided by Bell Canada to THE COMPANY community dial offices listed in Section 3.2 and further identifies under the specific service those community dial offices where that service is not provided.

SERVICES

1. INFORMATION
2. INTERCEPT-RECORDED AND LIVE
3. ASSISTANCE
4. OTHER
5. REPAIR - EVENING AND NIGHT
6. ALARMS

SECTION 3.4 of Appendix 3 of Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

Effective:

PAYMENTS

GENERAL

This Section describes the monthly payments due Bell Canada by THE COMPANY for the provision of exchange operating services.

MONTHLY PAYMENTS

The monthly payment due Bell Canada is based on the total number of main telephones and P.B.X. trunks connected to THE COMPANY'S community dial office(s), multiplied by the monthly charges contained in the table below.

The monthly payment will be adjusted as of the January billing date each year based on the total number of main telephones and P.B.X. trunks served by the community dial office(s) as of December 31 of the preceding year.

Each company agrees to adjust the monthly charges for exchange operating services if the results of cost studies made periodically by Bell Canada indicate that such an adjustment is warranted.

The monthly charge for the provision of exchange operating services by Bell Canada is as outlined in the following table for each of the services provided:

Monthly Charges

Information

\$ 0.06

Local directory assistance.

Intercept - Recorded and Live

0.04 (Note 5)

All calls permitting recorded intercept (no working service, temporary suspension of service, etc.) are so intercepted. However, when caller listens to four (4) playings of recording, calls are then switched to live intercept. All calls to numbers requiring live intercept (example: reference of calls) are so intercepted.

Assistance

0.05 (Note 2)

All types of operator assistance rendered other than that provided under the categories Information, Intercept and Repair. Some examples include business office, coin control, emergency (fire, police, etc.), completing calls for handicapped, assistance in planning and completing calls, requests for dialing instruction.

Other

0.02 (Note 3)

Miscellaneous spillover from other services not properly categorized.

Repair - Evening and Night

0.03 (Note 4)

Calls requiring referral to repair service.

Alarms

0.01

Trouble alarms.

All Services

0.21

NOTES:

- (1) The charges recognize that all exchange operating services are not always required to be provided in all cases and therefore permit identification of the charge for each specific service provided.
- (2) All companies having community dial offices toll centred on Bell Canada who do not have an operating staff to perform their own "Information" and "Intercept" require the "Assistance" category.
- (3) All companies having community dial offices toll centred on Bell Canada require "OTHER". Where this is the only service provided, a minimum charge of \$0.03 will apply to account for additional spillover from other services which will inevitably come to the Bell Canada operator.
- (4) No companies currently have 24 hour repair service but should 24 hour repair service be a requirement, a special charge will be developed on an individual company basis.
- (5) Where live intercept only is required a charge of \$0.01/per month for each main telephone and P.B.X. trunk will apply. Where the requirement is temporary this charge will be the minimum charge for each month or fraction thereof for providing this service.
- (6) (a) If separate or additional interexchange circuits are required to perform exchange operating services they shall be provided by the respective companies for the same respective distances that they provide the existing toll circuits.

(b) A charge calculated at the rate of \$31.00 per annum per route mile per circuit shall be paid to the other company by a company that fails to provide circuits in accordance with paragraph (a) above. This same charge shall be payable to Bell Canada for all extra circuits furnished by it, if the other company fails to provide the central office equipment needed for the most efficient trunking arrangement between the respective offices.

APPENDIX 4

Attached to and forming part of Traffic Agreement
dated:

Between: THE COMPANY
and Bell Canada

Extended Area Service (EAS)

This Appendix establishes the division of costs between Bell Canada and THE COMPANY of circuits and equipment for Extended Area Service (E.A.S.). This information is contained in the following section which is attached to and forms part of this Appendix.

EFFECTIVE DATE

Section 4.1 Division of Costs

Signed for Identification: Per _____

Date: _____

(Title)

BELL CANADA

Date: _____

Per _____

(Title)

SECTION 4.1 to Appendix 4 of Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

Effective:

EXTENDED AREA SERVICE (EAS)

General

This Appendix establishes the division of costs of circuits and equipment for Extended Area Service (EAS).

Basic
Data

- a) Route mileage between THE COMPANY'S rate centre and the point of connection;
- b) Route mileage between the Bell Canada rate centre and the point of connection;
- c) Mean route mileage $(a + b) \div 2$;
- d) Percentage of route mileage covered by THE COMPANY
 $a \div (a + b) \times 100$;
- e) Annual rental of circuit; \$31. per mile/circuit;
- f) Difference greater or less in the route mileage furnished by THE COMPANY $(a - c)$.
- g) Monthly debit or credit due THE COMPANY $f \times \frac{\$31.00/\text{circuit/mile}}{12 \text{ months}}$

APPENDIX 5

Attached to and forming part of Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

Effective:

INTER-EXCHANGE FACILITIES WITH CARRIER EQUIPMENT

This Appendix provides the General Terms and Conditions under which Inter-exchange Facilities with Carrier Equipment are provided, the list of Inter-exchange Routes with Carrier Equipment and the Division of Costs between Bell Canada and THE COMPANY. This information is contained in the following sections which are attached to and form part of this Appendix.

Effective Date

SECTION 5.1 - General Terms and Conditions

SECTION 5.2 - List of Inter-exchange Routes
with Carrier Equipment

SECTION 5.3 - Division of Costs

Signed for identification:

Per _____

Date: _____

(Title)

BELL CANADA

Date: _____

Per _____

(Title)

SECTION 5.1 to Appendix 5 of Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

Effective:

GENERAL TERMS AND CONDITIONS

This Section describes the General Terms and Conditions under which Inter-exchange Facilities with Carrier Equipment are provided between Bell Canada and THE COMPANY.

Both parties have agreed to establish additional communication channels over their respective inter-exchange circuits between the Bell Canada toll centre and THE COMPANY exchanges as identified in Section 5.2 of this Appendix under the following terms and conditions:

- a) - The communication channels shall be equipped at the terminal exchanges and at intermediate points along the routes as identified in Section 5.2 of this Appendix.
- b) - Except as otherwise stated, each party shall at its own expense, provide and maintain all equipment associated with said communication channels installed in its own premises and on its own facilities, and keep the same in proper working order and condition at all times.
- c) - Except as otherwise stated, each party shall, at its own expense, provide suitable space in its own premises for the installation of the said equipment and adequate electric power for its operation.
- d) - Each party shall maintain its section of the inter-exchange circuits, over which the communication channels are established and operated, in good repair and working order and condition at all times, at its own expense, risk and responsibility.
- e) - Each party shall share the annual charges associated with the said equipment in the ratio of the route distances between their respective terminal exchanges and the point of connection of their respective toll lines.

- f) - In accordance with paragraph e) above, each party agrees that balancing payments shall be made each month in accordance with the provisions of section 5.3 of this appendix.
- g) - If within five (5) years of the installation or future relocation of this equipment, either party decides to relocate its terminal equipment, the party affecting such change shall notify the other party in writing of the new toll route mileage and a new division of the charges will be established. Such new charges will take effect only five years from the said date of installation or relocation.

SECTION 5.2 to Appendix 5 of Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

Effective:

LIST OF INTER-EXCHANGE ROUTES WITH CARRIER EQUIPMENT

This Section provides a list of Inter-exchange Routes with Carrier Equipment for which a division of costs is applicable on a per route basis as described in Section 5.3 of this Appendix.

Inter-Exchange Route
with Carrier Equipment

Type of Carrier
Equipment

SECTION 5.3 to Appendix 5 of Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

Effective:

DIVISION OF COSTS

This Section establishes the division of costs of Carrier Equipment for Inter-exchange Facilities.

Basic
Data

- a) Route mileage between THE COMPANY's central office and the point of connection;
- b) Route mileage between the Bell Canada toll centre and the point of connection;
- c) Total route mileage for both parties (a + b);
- d) Percent allocation to THE COMPANY $(a - c) \times 100$;
- e) Charges for THE COMPANY owned equipment;
- f) Charges for Bell Canada owned equipment;
- g) Total charges for both parties (e + f);
- h) Charges to be borne by THE COMPANY $(g \times d)$
- i) Charges to THE COMPANY for Space, Power, Maintenance provided by Bell Canada;
- j) Other charges to THE COMPANY;
- k) Total charges to THE COMPANY $(h + i + j)$;

DIVISION OF COSTS - cont'd

- 1) THE COMPANY owned equipment charges (e);
- m) Charges for Space, Power, Maintenance provided by THE COMPANY;
- n) Other credits to THE COMPANY;

Balancing
Payment

- o) Net monthly COMPANY debit or credit (k - l - m - n).

APPENDIX 6

Attached to and forming part of Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

Effective:

MOBILE TELEPHONE SERVICE

This Appendix describes the method of determining the amount to which each Company is entitled for Mobile Telephone Service depending on the basis of participation in providing the service as listed below.

Effective Date

SECTION 6.1 - Mobile Telephone Service
- Non Participating Basis

SECTION 6.2 - Mobile Telephone Service
- Partial Participating Basis

SECTION 6.3 - Mobile Telephone Service
- Full Participating Basis

It is agreed that THE COMPANY may, at its own option, change its degree of participation in accordance with sections 6.1, 6.2 and 6.3 of this appendix by simple notice in writing to Bell Canada given thirty (30) days in advance of the date of change.

Date: _____

(Title)

BELL CANADA

Date: _____

Per _____

(Title)

SECTION 6.1 of Appendix 6 to the Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

Effective:

MOBILE TELEPHONE SERVICE
(Non-Participating Basis)

A. General

Mobile telephone service is a radio communication service between a wire telephone and a mobile unit or between two mobile units served through a base (land radiotelephone) station. An exchange near the base station serves as the rate centre for mobile service messages and is termed the principal exchange.

B. Agreement

Whereas THE COMPANY does not wish to participate at this time in the provisioning of Mobile telephone service, and by the nature of this service, it is impractical to restrict its availability in THE COMPANY'S territory, it is agreed that:

- (a) Bell Canada may promote and offer Mobile telephone service to customers located in THE COMPANY'S territory.
- (b) Bell Canada will provide, install and maintain the radio sets in the mobile units assigned to customers located in THE COMPANY'S territory.
- (c) Bell Canada will, at its own expense and risk, bill and collect the charges for Mobile telephone service from customers located in THE COMPANY'S territory.

C. Revenues

- i) All usage revenue from mobile service provided to customers located in THE COMPANY'S territory will accrue to Bell Canada except for that generated by calls originating or terminating at THE COMPANY'S wire telephones. Such messages and their associated revenues will be included in the normal settlement for message toll traffic as described in Appendix 2, Section 2.1 of the Traffic Agreement.
- ii) Monthly equipment charges for mobile units accrue to Bell Canada.

SECTION 6.2 of Appendix 6 to Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

Effective:

MOBILE TELEPHONE SERVICE
(Partial-Participation Basis)

A. General

Mobile Telephone Service is a radio communication service between a wire telephone and a mobile unit or between two mobile units served through a base station. An exchange near the base station serves as the rate centre for mobile service messages and is termed the principal exchange. Subscribers to this service may place or receive the following types of messages.

1. Local Messages

Messages within the local service area of the principal exchange between:

- a) any wire telephone within the Mobile service area and a mobile unit served through the base station serving that area or,
- b) two mobile units served by the same base station.

2. Toll Messages

Messages beyond the local service area of the principal exchange between:

- a) any wire telephone located outside the Mobile service area and any mobile unit served from a base station in that area or,
- b) two mobile units served through different base stations (having different rate centres).

3. Operating of Messages

All messages to mobile units originated by wire telephones in The COMPANY'S territory are ticketed and timed by the normal toll office. All mobile operating is done by Bell Canada.

B Agreement

Mobile telephone service provided jointly by both parties hereto will be subject to the terms and conditions of the Traffic Agreement and this appendix.

- a) Bell Canada will provide, maintain and operate the base stations and the Mobile telephone service switchboards.
- b) Bell Canada will provide, install and maintain the radio sets in the mobile units assigned to customers in THE COMPANY'S territory.
- c) THE COMPANY will promote Mobile telephone service within its territory, and bill and collect the equipment and message charges from customers in its territory.

C. Charges and Revenues

- i) All usage revenue from mobile service provided to customers located in THE COMPANY'S territory will accrue to Bell Canada except for that generated by calls originating or terminating at THE COMPANY'S wire telephones. Such messages and their associated revenues will be included in the normal settlement for message toll traffic as described in Appendix 2, Section 2.1 of the Traffic Agreement.
- ii) Monthly equipment charges for mobile units accrue to Bell Canada.
- iii) THE COMPANY will receive a commission of five cents (\$0.05) for each message originated during the month from a mobile unit assigned to a customer in its territory.
- iv) THE COMPANY will also receive a commission of one dollar (\$1.00) per month for each mobile unit assigned to customers in its territory as compensation for the billing and collection of the monthly equipment and usage charges.

SECTION 6.3 of Appendix 6 to the Traffic Agreement

dated:

Between: THE COMPANY

and Bell Canada

Effective:

MOBILE TELEPHONE SERVICE
(Full-Participating Basis)

A. General

Mobile Telephone Service is a radio communication service between a wire telephone and a mobile unit or between two mobile units served through a base station. An exchange near the base station serves as the rate centre for mobile service messages and is termed the principal exchange. Subscribers to this service may place or receive the following types of messages:

1. Local Messages

Messages within the local service area of the principal exchange between:

- a) any wire telephone within the Mobile service area and a mobile unit served through the base station serving that area or,
- b) two mobile units served by the same base station.

2. Toll Messages

Messages beyond the local service area of the principal exchange between:

- a) any wire telephone located outside the Mobile service area and any mobile unit served from a base station in that area or,
- b) two mobile units served through different base stations (having different rate centres).

3. Operating of Messages

All messages to mobile units originated by wire telephones in THE COMPANY'S territory are ticketed and timed by the normal toll office. All mobile operating is done by Bell Canada.

B. Agreement

Mobile Telephone Service provided jointly by both parties hereto will be subject to the terms and conditions of the Traffic Agreement and this section.

- a) Bell Canada will usually provide, maintain and operate the base stations and the Mobile telephone service switchboards.
- b) THE COMPANY will provide, install and maintain the radio sets in the mobile units assigned to its customers.
- c) THE COMPANY will promote Mobile telephone service within its territory, and bill and collect the equipment and message charges from its customers.

C. Charges and Revenues

i) Local Calls

All usage revenue from mobile local calls will accrue to THE COMPANY even when such calls are carried entirely over Bell Canada facilities. In such cases the mobile operator will ticket the call and forward the ticket to THE COMPANY for rating and billing at its rates.

ii) Toll Calls

Usage revenue from mobile toll calls will be shared between both companies according to the terms of the normal settlement for message toll traffic whenever both companies' facilities are used to carry the message.

Usage revenues will accrue to one company or the other in situations where only one company's facilities are used to carry the call.

- iii) Monthly equipment charges for THE COMPANY provided mobile units, accrue to THE COMPANY.

- iv) Bell Canada will receive a commission of two dollars (\$2.00) per THE COMPANY mobile telephone per month, for its base station and operator expense. In cases where THE COMPANY supplies the base station, this commission does not apply.

NEWS RELEASE

Release Date: Tuesday, July 19, 1983

Edmonton Mayor Cec Purves and Utilities and Telecommunications Minister, Bob Bogle, have today released the Alberta Government Telephones/'edmonton telephones' Joint Study Committee Report and Recommendations. The Joint Study Committee was chaired by former Chief Justice Milvain and other members of the Committee included Dr. Harry Hyde from Edmonton, Mr. Dan Shea from Three Hills, Mr. Doug Burrows from Edmonton and Dr. Hu Harries from Edmonton. The Recommendations were approved unanimously by the Joint Study Committee.

The Mayor and the Minister agree in principle with all four Recommendations as well as the two basic principles outlined in the Report received by the Committee.

A four member Implementation Task Force will be appointed to deal with the implementation of the four recommendations. The Co-Chairmen will be Mr. Harry Hobbs, newly appointed Chairman, A.G.T. Commission and Mr. Doug Burrows, retired Chief Commissioner, City of Edmonton. The Committee will report to government through the Minister and to City Council through the Mayor on the plan of action.

Alberta is entering an exciting age with the advent of new modes in telecommunication. The outcome of this process is designed to keep Alberta in the forefront of the technological advancements and services to all the residents of the province.

- 30 -

His Worship Mayor Cec Purves
City of Edmonton

422-5430

Honourable Bob Bogle
Minister of Utilities and
Telecommunications

422-2016

POOR

QUALITY

ORIGINAL

